

STATEMENT FOR THE RECORD

HOUSE WAYS AND MEANS HEALTH SUBCOMMITTEE HEARING  
“CURRENT HOSPITAL ISSUES IN THE MEDICARE PROGRAM”  
May 20, 2014

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PRESIDENT AND CEO  
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Chairman Brady, Representative McDermott, and distinguished Members of the Health Subcommittee, thank you for the opportunity to share the perspectives of the American Health Care Association/National Center for Assisted Living (AHCA/NCAL) as the Subcommittee examines current hospital issues in the Medicare program, with an emphasis on the Centers for Medicare and Medicaid Services (CMS) two-midnights policy, short inpatient stays, outpatient observation stays, auditing and appeals.

I serve as the president and chief executive officer of AHCA/NCAL, the nation's largest association of long term and post-acute care providers. The association advocates for quality care and services for the frail, elderly, and individuals with disabilities. Our members provide essential care to millions of individuals in more than 12,000 not for profit and for profit member facilities.

AHCA/NCAL, its affiliates, and member providers advocate for the continuing vitality of the long term care provider community. We are committed to developing and advocating for public policies that support quality care and quality of life for our nation's most vulnerable. Therefore, we are in support of policies that address the observation stays issue.

AHCA/NCAL continues to strongly support Representatives Courtney and Latham, along with Senator Brown in the bipartisan legislation they introduced, the Improving Access to Medicare Coverage Act of 2013 (S. 569/H.R. 1179), which seeks to count all hospital days spent in observation towards the three-day inpatient stay required for Medicare coverage of Part A skilled nursing care benefits.

AHCA/NCAL also supports legislation eliminating the three-day stay requirement, which effectively solves the related issue of observation stays. Representative Renacci's bipartisan Creating Access to Rehabilitation for Every Senior (CARES) Act of 2013 (H.R. 3531) eliminates the three-day inpatient stay requirement by allowing centers that meet particular criteria to automatically qualify to waive the prior hospitalization requirement. The criteria are based on the CMS Nursing Home Compare program. In addition, the association supports a similar bill introduced by Representative McDermott, the Fairness for Beneficiaries Act of 2013 (H.R. 3144), which also seeks to eliminate the three-day stay requirement.

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Several national patient and provider organizations have written CMS and advocated on the Hill in support of addressing the observation stays issue. Unfortunately, there have been countless heart-wrenching stories from seniors who have had to pay high out of pocket expenses since they were deemed to be on observation status, and Medicare did not cover their necessary skilled nursing facility care. Often times, these individuals didn't even know they were on observation status -- or know to ask.

It is simply not right to limit access to quality care for those most in need. Now is the time for Congress to pass legislation that addresses this issue once and for all. Thank you again for the opportunity to weigh in on this important matter. AHCA/NCAL looks forward to working with Members of Congress in both chambers on the observation stays issue.